Senator Darling
Representative Vos

DHS -- MEDICAL ASSISTANCE -- SERVICES

Omnibus Motion

[LFB Papers 340, 341, 342, 343, 344, 345, 346, 347, 348]

Motion:

Move to modify the bill as follows.

1. *MA Base Reestimate (Paper #340).* Adopt Alternative 1. Increase funding in the bill by $45,404,700 ($16,880,100 GPR, $28,039,200 FED and $485,400 SEG) in 2011-12 and by $53,213,800 ($14,906,000 GPR, $32,822,400 FED, and $5,485,400 SEG) in 2012-13 to reflect the funding adjustments summarized in Discussion Point 16 of LFB Paper #340. In addition, revise statutory provisions relating to the UW lapse to the MA trust fund to reduce the annual lapse amounts in 2011-12 and 2012-13 from $27,500,000 to an amount up to $20,338,500 annually.

In addition, adopt Alternative 2, with a modification. Increase funding in the bill by $15,542,500 ($6,086,800 GPR and $9,455,700 FED) in 2011-12 and $40,535,600 ($15,769,500 GPR and $24,766,100 FED) in 2012-13 to reflect revised projections of enrollment growth for the MA program in 2011-12, and reducing funding from the amounts in Alternative 2 to reflect the allocation of funding that would be available to support Family Care crisis slots, as described under Item #3.

Finally, delete the provision in the bill that would require DHS to lapse $24,950,000 GPR in the first year of the fiscal biennium in which the provision takes effect. Reduce estimated lapses to the general fund by $24,950,000 in 2011-12 and 2012-13 to reflect that savings in MA capitation payments that the Governor assumed would occur in the 2011-13 biennium as a result of the enactment of 2011 January Special Session Bill 11/Assembly Bill 11, as recommended by the Joint Committee on Finance, will not be realized.

2. *Unspecified Program Changes to Medical Assistance (Paper #341).* Adopt Alternative 1, which would adopt the Governor's proposal to reduce funding for the MA program by $133,267,300 (-$55,971,300 GPR -$86,196,000 FED, and $8,900,000 PR) in 2011-12 and by $333,313,400 (-$134,580,300 GPR, -$207,663,100 FED, and $8,930,000 PR) in 2012-13 to reflect the administration's estimate of the savings that will be achieved by making various unspecified changes to the MA program.

In addition, adopt Alternative 2b. which would require DHS to submit quarterly reports to the Committee that contain the following information: (a) updated descriptions of any MA program changes implemented by DHS, including a description of any amendments to the state MA plan; (b) updated estimates of the projected savings associated with those changes; and (c) updated projections of the total MA benefit expenditures during the biennium and an analysis of how these projected expenditures compare to the funding provided in the 2011-13 biennial budget act.

3. *Family Care Enrollment Cap (Paper #342).* Adopt Alternatives A1, B1, C1, and D1 in LFB Paper #342.

First, modify the bill by incorporating the administration's requested changes to the bill, as described in Discussion Point 1 of Paper #342.

With these changes, the bill would prohibit DHS from enrolling, in the service region of each ADRC, more persons into the Family Care, Family Care Partnership, PACE, or IRIS programs than the total number of persons participating in all of those programs in that ADRC service region on June 30, 2011, or the effective date of the provision, whichever is later. DHS could only enroll persons into the long-term care programs that are offered in that person's county of residence. As under the bill, the enrollment cap would not apply after June 30, 2013. The months during which this provision is in effect would not be counted toward the statutory requirement that DHS have sufficient capacity to offer the Family Care benefit to all entitled persons after the first 36 months the benefit is available in a county. In addition, notwithstanding the provision described above, DHS could enroll any individual into the Family Care, Family Care Partnership, PACE, or IRIS programs who is relocated from a nursing home, intermediate care facility for the mentally retarded (ICF-MR), or State Center for People with Developmental Disabilities if the individual has resided in the facility for at least 90 days, the facility is not licensed, an emergency exists, or the facility is closing or downsizing. DHS would still be prohibited from proposing to contract with entities to administer the Family Care benefit in a county in which the Family Care benefit is not available on July 1, 2011, unless DHS determines that administering the Family Care benefit in such a county would be more cost-effective than the county's current mechanism for delivering long-term care services. This prohibition would be in effect from July 1, 2011, through June 30, 2013.

In addition, require DHS to study the cost-effectiveness of Family Care, PACE, Family Care Partnership, and IRIS compared to one another and compared to standard MA card services, both before and after an individual enrolls in the programs. Further, require DHS to present its findings to the Joint Committee on Finance by March 1, 2012.

Prohibit care management organizations (CMOs) that provide the Family Care benefit from including in their contracts with providers any provision that would require providers to return funding in excess of the cost of service to the CMO.

Finally, provide $12,639,000 ($5,000,000 GPR and $7,639,000 FED) in 2011-12 and $12,600,800 ($5,000,000 GPR and $7,600,800 FED) in 2012-13 to fund Family Care services to individuals on waitlists who are in urgent need of long-term care services, as determined by DHS. Specify that these funds could be used to serve individuals on a temporary basis until the

individual is permanently enrolled in the program, and that this funding would be provided in the 2011-13 biennium only (one-time funding). Authorize DHS to expend up to $12,639,000 (all funds) in 2011-12 and $12,600,800 (all funds) in 2012-13 to support these services.

4. *SeniorCare Base Reestimate (Paper #343).* Adopt the modification in the paper, which would increase funding in the bill by $6,778,900 ($229,100 GPR, $190,200 FED, and $6,359,600 PR) in 2011-12 and by $3,337,700 (-$784,700 GPR, -$858,100 FED, and $4,980,500 PR) in 2012- 13 to reflect a reestimate of the costs to fully fund SeniorCare, based on current law.

5. *SeniorCare Enrollees and Medicare Part D (Paper #344).* Adopt Alternative 5, which would delete the Governor's proposal.

6. *Medical Assistance Payments for Medicare Part A Services. (Paper #345).* Adopt Alternative 1, which would adopt the Governor's proposal to institute a Medicare Part A cutback as follows: (a) create a Medicare Part A cutback that would apply to categorically eligible and medically needy full-benefit duals as well as to QMBs; (b) apply the proposed cutback to Part A deductibles and Part A coinsurance requirements relating to inpatient hospital services (and not to other Part A services such as nursing home services); and (c) repeal statutory provisions that exempt "outpatient hospital services" from the current Medicare Part B cutback.

Reduce the funding in the bill by $1,673,500 (-$661,700 GPR and -$1,011,800 FED) in 2011-12 and by $2,442,900 (-$969,400 GPR and -$1,473,500 FED) in 2012-13 to reflect updated estimates of savings in MA benefits costs relating to this item.

7. *Essential Access City Hospital Payment (Paper #346).* Delete the Governor's recommendation to eliminate base funding for the EACH payment and to repeal statutory provisions relating to this payment. Increase funding in the bill by $4,296,900 ($1,881,200 GPR and $2,415,700 FED) in 2011-12 and by $4,284,900 ($1,881,200 GPR and $2,403,700 FED) in 2012-13 to support the following supplemental payments to hospitals: (a) $2,997,700 (all funds) in 2011-12 and $2,988,700 (all funds) in 2012-13 and each subsequent year for a hospital that has previously received the EACH supplement (Aurora Sinai Medical Center in the City of Milwaukee); (b) $999,200 (all funds) in 2011-12 and $996,200 (all funds) in 2012-13 and each subsequent year for a hospital that would qualify for an EACH supplemental payment, under the criteria described in the 2010-11 inpatient hospital state plan, except that the hospital did not meet the EACH criteria during the 1995-96 fiscal year (St. Joseph Hospital in the City of Milwaukee); and (c) provide $300,000 GPR annually to provide a supplemental payment to a hospital, if permitted by CMS, that meets all of the following criteria: (1) is located in a city that has a municipal border that is also a Wisconsin state border; (2) has a MA payer mix that consists of at least 25% of residents from a state that borders Wisconsin; and (3) is located in a city with a poverty level, as determined by the 2000 U.S. Census Bureau, that is greater than 5%; and (4) is located in a city with a population of less than 15,000 people.

8. *Third Party Administrator (Paper #347).* Adopt the modification in the paper. Reduce funding by $532,600 PR in 2011-12 and by $607,800 PR in 2012-13 to reflect revised estimates of projected payments to Wisconsin Physician's Services, based on a reestimate of the

number of children that will be enrolled in the CLTS and Birth-to-3 programs in the 2011-13 biennium. In addition, reduce estimated program revenue by corresponding amounts to reflect that lower projected enrollment in these programs will reduce the amount of funding counties pass through the Department to pay TPA fees and provider payments.

9. *Supplemental Payments to Municipal Nursing Homes (Paper #348).* Adopt Alternative A3, which would increase funding in the bill by $465,700 GPR and $713,700 FED in 2011-12 and by $468,100 GPR and $711,300 FED in 2012-13, so that $39.1 million (all funds) would be budgeted for supplemental payments to municipal nursing homes annually.

10. *Study Competitive Bidding Process for Purchase of Generic Drugs.* Require DHS to study and determine whether the use of a competitive bidding process for the purchase of generic drug equivalents provided to MA recipients would generate savings to the MA program. Require DHS to submit a report to the Joint Committee on Finance by December 31, 2011, with the results of its study.

11. *Family Contributions for Irrevocable Burial Trusts.* Require DHS, within 60 days after the enactment of the bill, to seek approval from the Centers for Medicare and Medicaid Services that would permit friends and family of individuals enrolled in the MA program to contribute to the individual's irrevocable burial trust, up to a limit of $4,500, without the individual losing eligibility for MA. Specify that, if CMS approves the DHS request, DHS must implement these changes to the program within 60 days following CMS approval of the DHS request.

12. *Prior Authorization for Wheelchair Repairs.* Prohibit DHS from requiring prior authorization for wheelchair repairs that would cost less than $300 for power wheelchairs and $150 for manual wheelchairs, and specify that this provision would apply to all MA-related programs.

13. *MA Program Changes -- Rule Requirement.* Repeal provisions in 2011 Act 10 which would authorize DHS to promulgate rules to implement changes to the MA program that conflict with the specific statutory sections identified in Act 10.

Instead, establish the following passive review process with respect to any changes to the MA program that would otherwise be in conflict with the statutory sections specifically identified in Act 10: (a) require DHS to submit any federal waiver requests or requests for amendments to the state's MA plan, together with estimates of the projected savings associated with those proposed changes, to the Joint Committee on Finance before submitting any such requests for federal approval; and (b) allow DHS to submit the requests for federal approval unless the Committee schedules a meeting within 14 working days of receiving the proposed requests and at that meeting either rejects or amends the proposed waiver request or proposed amendment to the state MA plan.

Repeal the passive review process that would be established by this motion effective January 1, 2015.

14. *Nursing Home Rate Methodology -- Designation of Labor Regions.* Require DHS to include Dodge County in a single labor region with Dane, Iowa, Columbia, Sauk, and Rock Counties and to adjust payments so that the direct care cost targets of facilities in Dane, Iowa, Columbia, Sauk, and Rock counties are not reduced as a result of including facilities in Dodge County in this labor region. In addition, require DHS to include the facilities in Dunn County with the facilities in Douglas, Pierce, and St. Croix Counties, for the purposes of adjusting the direct care cost target by use of the wage index that is used by the U.S. Department of Health and Human Services for hospital reimbursement under 42 USC 1395 to 1395ggg. This provision would become effective as of July 1, 2013. Further, in preparing its 2013-15 budget request, direct DHS to increase its adjusted base year funding for nursing home payments by $1,340,700 ($415,600 GPR and $925,100 FED).

Note:

This motion incorporates several of the alternatives offered in LFB papers relating to medical assistance, as well as several items not addressed in the Governor's budget bill. The fiscal effect of these changes is summarized in the attachment to this motion.

[Change to Bill: See Attachment]

ATTACHMENT

Fiscal Effect of Omnibus Motion -- Appropriation Changes
Change to Bill

	2011-12					2012-13					2011-13				
Subject	GPR	FED	PR	SEG	Total	GPR	FED	PR	SEG	Total	GPR	FED	PR	SEG	Total
1 Base Reestimate -- Alt 1	$16,880,100	$28,039,200	$0	$485,400	$45,404,700	$14,906,000	$32,822,400	$0	$5,485,400	$53,213,800	$31,786,100	$60,861,600	$0	$5,970,800	$98,618,500
Base Reestimate -- Alt 2 (Modified)	6,086,800	9,455,700	0	0	15,542,500	15,769,500	24,766,100	0	0	40,535,600	21,856,300	34,221,800	0	0	56,078,100
2 Unspecified Program Changes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Family Care Enrollment -- Crisis Slots	5,000,000	7,639,000	0	0	12,639,000	5,000,000	7,600,800	0	0	12,600,800	10,000,000	15,239,800	0	0	25,239,800
4 SeniorCare Reestimate -- Mod.	229,100	190,200	6,359,600	0	6,778,900	-784,700	-858,100	4,980,500	0	3,337,700	-555,600	-667,900	11,340,100	0	10,116,600
5 SeniorCare and Part D -- Alt. 5	5,000,000	5,000,000	8,300,000		18,300,000	10,000,000	10,000,000	16,600,000	0	36,600,000	15,000,000	15,000,000	24,900,000	0	54,900,000
6 Payments for Part A -- Services -- Alt. 1	-661,700	-1,011,800	0	0	-1,673,500	-969,400	-1,473,500	0	0	-2,442,900	-1,631,100	-2,485,300	0	0	-4,116,400
7 EACH -- Hospital Payments	1,881,200	2,415,700	0	0	4,296,900	1,881,200	2,403,700	0	0	4,284,900	3,762,400	4,819,400	0	0	8,581,800
8 Third Party Administrator -- Mod.	0	0	-532,600	0	-532,600	0	0	-607,800		-607,800	0	0	-1,140,400	0	-1,140,400
9 Municipal Nursing Homes -- Alt. 3	465,700	713,700	0	0	1,179,400	468,100	711,300	0	0	1,179,400	933,800	1,425,000	0	0	2,358,800
10 Study -- Bidding for Generic Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Irrevocable Burial Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 P.A. for Wheelchair Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 MA Program Changes -- Rule Requirement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	$34,881,200	$52,441,700	$14,127,000	$485,400	$101,935,300	$46,270,700	$75,972,700	$20,972,700	$5,485,400	$148,701,500	$81,151,900	$128,414,400	$35,099,700	$5,970,800	$250,636,800

1 Estimated Lapses to General Fund

2011-12	-$24,950,000
2012-13	-24,950,000